



COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE  
SUPPLIER DIVERSITY OFFICE

Massachusetts Transportation Building  
Ten Park Plaza, Suite 3740, Boston, MA 02116

E-mail: [wsomwba@state.ma.us](mailto:wsomwba@state.ma.us)

DEVAL L. PATRICK  
GOVERNOR

TIMOTHY L. MURRAY  
LIEUTENANT GOVERNOR

REGINALD A. NUNNALLY  
EXECUTIVE DIRECTOR

Telephone  
(617) 973-8692

Facsimile  
(617) 973-8637

### MUNICIPALITIES GENERAL GUIDELINES

The attached Guidelines have been issued by the Supplier Diversity Office (SDO) in accordance with the statutory standards set forth in Chapter 193 of the Acts of 2004. Please note that these are interim Guidelines subject to the Commonwealth's Regulatory Process.

**THE ATTACHED BIDDING INSTRUCTIONS AND CONTRACT INSTRUCTIONS MUST BE INCORPORATED INTO CONTRACT DOCUMENTS, AS REQUIRED BY CHAPTER 193 OF THE ACTS OF 2004.**

The Construction Reform Law, Chapter 193 of the Acts of 2004, and the revisions it made to M.G.L. c. 23A, §44 and M.G.L. c. 7, §40N, include a new municipal affirmative marketing program. Municipalities (hereinafter Awarding Authorities) must now incorporate Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) goals into both their design and construction procurement for municipal contracts for the construction, reconstruction, alteration, remodeling, repair or demolition of any public building or public work by any city or town that includes funding provided by the Commonwealth, in whole or in part (such as funding under the School Building Assistance Program, funding in any legislative appropriation, grant awards, reimbursements, municipal commitments to use state funds and the like). To count towards participation the business must be a Supplier Diversity Office (SDO) certified WBE or MBE. Certification as a disadvantaged business enterprise (DBE), certification as an MBE/WBE by any agency other than SDO, or submission of an application to SDO for certification as an MBE/WBE shall not confer MBE or WBE status on a firm for purposes of participation credit. You can access the new law on The General Court of Massachusetts website: <http://www.mass.gov/legis/laws/mgl/7-40n.htm> and <http://www.mass.gov/legis/laws/mgl/23a-44.htm>

#### Affirmative Marketing Participation Goals

Each Municipality must enforce the current Affirmative Marketing Goals developed by the Division of Capital Asset Management (DCAM) in consultation with SDO as follows:

<b>Design Participation:</b>	<b>MBEs (8%) and WBEs (4%)</b>
<b>Construction Participation:</b>	<b>MBEs (7.4%) and WBEs (4%)</b>

January 10, 2007



A list of currently certified MBEs and WBEs in the design and construction fields is available on SDO's website at <http://www.somwba.state.ma.us>.

### **Model Bidding Instructions and Model Contract Instructions**

To assist you in the development of Contract documents and specifications, we have attached model language for incorporation into your bidding documents (See Attachment C - Model Bidding Instructions), and contract documents (See Attachment D - Model Contract Instructions). The model language shall apply to all work performed on state-assisted building projects as defined in Chapter 193 of the Acts of 2004. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with these required contract provisions.

### **Procedure for Municipalities for Pre-Advertising Adjustment of MBE/WBE Participation Goals**

Prior to Advertising, Awarding Authorities may submit to SDO a written request for adjustment(s) of participation goals in accordance with the attached procedure. See Attachment A (Procedure for Municipalities for Pre-Advertising Adjustment of MBE/WBE Participation Goals).

### **Procedure for Pre-Bid Reduction/Waiver of MBE/WBE Participation Goals**

Prior to submission of the Bid, if the Contractor/Designer is unable to meet the MBE/WBE participation goals due to circumstances beyond its control the Contractor/Designer should submit to the Awarding Authority's Affirmative Marketing Construction Officer (AMCO) a request for a participation goal reduction or waiver. See Attachment B (Procedure for Pre-Bid Reduction/Waiver of MBE/WBE Participation Goals).

### **Questions and Contact Information**

Each municipality in accordance with SDO's reporting requirements has designated an Affirmative Marketing Construction Officer (AMCO) who will be responsible for compliance with the guidelines and procedures contained herein. If you are uncertain of your city or town designee, please contact SDO at the address and number below.

All questions concerning the Construction Reform Act and the implementation of the new law may be directed to the Construction Reform Project Manager through SDO's e-mail address at [john.b.fitzpatrick@state.ma.us](mailto:john.b.fitzpatrick@state.ma.us) or by telephone at: **617-973-8647**.

## **ATTACHMENT A**

### **PROCEDURE FOR MUNICIPALITIES FOR PRE-ADVERTISING ADJUSTMENT OF MBE/WBE PARTICIPATION GOALS**

#### **A. Affirmative Marketing Participation Goals**

Each Municipality must enforce the current Affirmative Marketing Goals developed by the Division of Capital Asset Management (DCAM) in consultation with SDO as follows:<sup>1</sup>

**Design Participation:** MBEs (8%) and WBEs (4%)  
**Construction Participation:** MBEs (7.4%) and WBEs (4%)

#### **B. Criteria for Adjustment of Goals**

In Accordance with Section 7 of Chapter 193 of the Acts of 2004, an Awarding Authority may file a written request with the Executive Director of the Supplier Diversity Office (SDO), for the adjustment of participation goals, for an individual state-assisted building project, at any time prior to the advertising of the contract.<sup>2</sup> Factors that may be considered in granting an adjustment of the project goals for design and/or construction include any or all of the following:

- Actual availability of certified Minority- and/or Women-Owned Business Enterprises (MBE/WBEs);
- The geographic location of the project;
- The scope of work of the project including the opportunities for sub-contracting and subdividing the work; and
- Other relevant factors.

#### **C. Project Thresholds**

In addition to the above criteria, Participation Goals for an individual State-assisted Building Project can be adjusted by the Awarding Authority without filing a formal request with SDO under paragraph E below, if the total estimated construction cost of the Project as approved by the Awarding Authority is \$100,000 or less, and for design projects the estimated fee is \$100,000 or less.

#### **D. Supporting Documentation for Design and Construction Projects**

**Documentation that will be considered in granting an adjustment will include, but are not limited to the following:**

1. A general description of the project, a copy of the detailed project estimates, and the deadline for placement of project advertisements.

---

<sup>1</sup> From time to time goals are adjusted and the SDO web site should be consulted for any revisions.

<sup>2</sup> In rare instances after advertising and before bidding based on new information you may request an adjustment post-advertisement. Any adjustment granted must be the subject of an Addendum.

2. The reasons that the Awarding Authority or its representative has determined that there are no qualified MBE/WBEs.
3. Documentation after reviewing the MBE/WBE listings in the SDO directory that there may be a lack of eligible MBE/WBEs to perform the design and construction contract work in the general region of the project.
4. Documentation after reviewing the MBE/WBE listings in the SDO directory that there are no certified businesses within the scopes of work of the project including the opportunity for subcontracting after identifying all subcontracting opportunities.
5. Other Information - The Awarding Authority may also submit any other information supporting its request for adjustment of the MBE/WBE participation goals.

**E. Request for Adjustment of Design and Construction Goals**

1. As required by Chapter 193 of the Acts of 2004, the Awarding Authority must utilize the Standard Designer Application Form for Municipalities and Public Agencies not within Designer Selection Board (DSB) jurisdiction available on the DCAM web site under Cities and Towns at: <http://www.mass.gov/cam/DSB>.
2. Requests by an Awarding Authority for Adjustment of MBE/WBE Participation Goals on an individual project must be submitted in writing to the SDO Construction Reform Project Manager at 10 Park Plaza, Suite 3740, Boston, MA 02116 or by e-mail at: [John.B.Fitzpatrick@state.ma.us](mailto:John.B.Fitzpatrick@state.ma.us), no less than fourteen (14) business days before the deadline for placement of advertisements for the contract.
3. Design and Construction Goals are separate goals and therefore, requests for adjustment must be applied for separately. Design participation may not be substituted for Construction participation, nor may Construction participation be substituted for Design participation. On modular projects the design services provided under the construction contract are construction-related participation.
4. The Requested Adjustment must include the reasons for the adjustment as well as any supporting documentation as described in paragraph D above.
5. A written response to the Request will be provided to the Awarding Authority prior to the advertising deadline.

## ATTACHMENT B

### **PROCEDURE FOR PRE-BID REDUCTION/WAIVER OF MBE/WBE PARTICIPATION GOALS<sup>1</sup>**

#### **I. Pre-Bid Reduction/Waiver Procedures**

##### **A. Affirmative Marketing Participation Goals**

Each Municipality (Awarding Authority) must enforce the current Affirmative Marketing Goals developed by the Division of Capital Asset Management (DCAM) in consultation with SDO as follows:

<b>Design Participation:</b>	<b>MBEs (8%) and WBEs (4%)</b>
<b>Construction Participation:</b>	<b>MBEs (7.4%) and WBEs (4%)</b>

##### **B. Criteria for Reduction/Waiver of Goals**

Potential Bidders may request a reduction or waiver of goals on a project-by-project basis before bids are submitted. The Awarding Authority reserves the right to reduce or waive the MBE or WBE design and construction participation goals established for this Contract upon written request made by a general Bidder. In accordance with Section 7 of Chapter 193 of the Acts of 2004, such written request must demonstrate to the satisfaction of the Awarding Authority that it is not feasible for a non-MBE or non-WBE general Bidder to meet the goals based upon a showing that good faith efforts have been made to comply with the participation goals. Factors that may be considered in granting a reduction or waiver of the contract goals include any or all of the following:

- Actual availability of certified Minority- and/or Women-Owned Business Enterprises (MBE/WBEs);
- The geographic location of the project;
- The scope of work and opportunities for subcontracting the work;
- Other relevant factors including documented inability by the prospective Bidder to obtain commitments from MBE/WBE subcontractors sufficient to meet the MBE/WBE goals after having made a diligent, good faith effort to do so.

##### **C. Supporting Documentation Required from Potential Construction Bidders**

1. A list of all items of work under the Contract that the Bidder made available for subcontracting to MBE/WBEs. The Bidder shall identify all items of work, other than work to be performed by filed sub-Bidders, that the Bidder did not make so available and shall state the reasons for not making such work available for subcontracting to MBE/WBEs. The Bidder shall also demonstrate that, where commercially reasonable, subcontracts were divided into scopes or tasks capable of being performed by MBE/WBEs.
2. Documentation that the Bidder sent written notices soliciting Bids or proposals to perform the items of work made available by the Bidder for subcontracting to MBE/WBEs to all MBE/WBEs qualified to perform such work. The Bidder shall identify (i) each MBE/WBE solicited, and (ii) each MBE/WBE listed in the SDO directory under the applicable trade category that was not solicited and reasons therefore. The Bidder shall also state the date that notices were mailed and provide a copy of the written notice(s) sent.

---

<sup>1</sup> See Model Bidding Instructions

See Model Contract Instructions

3. Documentation that the Bidder made reasonable efforts to follow up the written notices sent to MBE/WBEs with telephone calls or personal visits in order to determine with certainty whether the MBE/WBEs were interested in performing the work. Phone logs or other documentation must be submitted.
4. A statement of the response received from each MBE/WBE solicited, including the reason for rejecting any MBE/WBE who submitted a bid or proposal.
5. Documentation of reasonable efforts, if any, made to assist MBE/WBEs that needed assistance in obtaining bonding or insurance, or lines of credit with suppliers if the inability of MBE/WBEs to obtain bonding, insurance, or lines of credit is the reason given for the Bidder's inability to meet the MBE/WBE goals.
6. The Bidder may also submit any other information supporting its request for a waiver or reduction in the MBE/WBE participation goals, including without limitation evidence that the Bidder placed advertisements in appropriate media and trade association publications announcing the Bidder's interest in obtaining bids or proposals from MBE/WBEs, and/or sent written notification to MBE/WBE economic development assistance agencies, trade groups and other organizations notifying them of the Contract and the work to be subcontracted by the Bidder to MBE/WBEs. The Bidder shall also submit any other information reasonably requested by the Awarding Authority to show that the Bidder has taken all actions that could reasonably be expected to achieve the MBE/WBE participation goals.

#### **D. Process for Requesting Waiver/Reduction of Construction Goals**

1. Requests from prospective general Bidders to reduce or waive the MBE/WBE participation goals for the Contract must be received by the Awarding Authority no later than ten (10) working days before the general bids are due.
2. The Awarding Authority shall not consider any request to reduce or waive the MBE/WBE Participation goals for the Contract that is received after the aforementioned deadlines. Any reduction or waiver of the MBE/WBE participation goals for the Contract will be made by written addendum mailed to all persons who have taken out plans for the project within a reasonable period prior to bid submission.
3. Procedures and Timelines for the Waiver/Reduction of Construction Goals can be found in the attached Model Bidding Instructions.

## **ATTACHMENT C**

### **MUNICIPAL CONTRACTS STATE-ASSISTED BUILDING PROJECTS MODEL BIDDING INSTRUCTIONS**

#### **APPENDIX TO BIDDING INSTRUCTIONS**

#### **GOALS FOR PARTICIPATION BY MINORITY BUSINESS ENTERPRISES (MBE) AND WOMEN BUSINESS ENTERPRISES (WBE) (EXECUTIVE ORDER 390, M.G.L. c. 7, s. 4)**

**The applicable goals for minority business enterprise (MBE) and woman business enterprise (WBE) participation established for this Contract are as follows:**

**MBE: \_\_\_\_ % of the Contract Price.    WBE: \_\_\_\_\_ % of the Contract Price.**

#### **A. MBE AND WBE PARTICIPATION**

1. The apparent low Bidder's compliance with the requirements of this Section is a pre-requisite for receiving the Award of the Contract.
2. The MBE and WBE participation goals for this Contract are as set forth above. The Awarding Authority reserves the right to reduce or waive the MBE or WBE participation goals established for this Contract upon written request made by a general Bidder within the time frame set forth in paragraph 9 below. Such written request must demonstrate to the satisfaction of the Awarding Authority that it is not feasible for a non-MBE or non-WBE general Bidder to meet the goals established for this Contract based upon any or all of the following: (i) actual MBE/WBE availability, (ii) the geographic location of the project to the extent related to MBE/WBE availability, (iii) the scope of the work, (iv) the percentage of work available for subcontracting to MBE/WBEs and/or (v) other relevant factors, including a documented inability by the prospective Bidder to obtain commitments from MBE/WBE subcontractors sufficient to meet the MBE/WBE goals after having made a diligent, good faith effort to do so. All of the foregoing documentation shall accompany the Bidder's request for a reduction or waiver of the MBE/WBE participation goals. Such documentation shall include, at a minimum, the following:
3. A list of all items of work under the Contract that the Bidder made available for subcontracting to MBE/WBEs. The Bidder shall identify all items of work, other than work to be performed by filed sub-Bidders, that the Bidder did not make so available and shall state the reasons for not making such work available for subcontracting to MBE/WBEs. The Bidder shall also demonstrate that, where commercially reasonable, subcontracts were divided into scopes or tasks capable of being performed by MBE/WBEs.
4. Evidence that the Bidder sent written notices soliciting Bids or proposals to perform the items of work made available by the Bidder for subcontracting to all MBE/WBEs qualified to perform such work. The Bidder shall identify (i) each MBE/WBE solicited, and (ii) each MBE/WBE listed in the SDO directory under

the applicable trade category that was not solicited and reasons therefore. The Bidder shall also state the date that notices were mailed and provide a copy of the written notice(s) sent.

5. Evidence that the Bidder made reasonable efforts to follow up the written notices sent to MBE/WBEs with telephone calls or personal visits in order to determine with certainty whether the MBE/WBEs were interested in performing the work. Phone logs or other documentation must be submitted.
6. A statement of the response received from each MBE/WBE solicited, including the reason for rejecting any MBE/WBE who submitted a bid or proposal.
7. Evidence of reasonable efforts made, if any, to assist MBE/WBEs that needed assistance in obtaining bonding or insurance, or lines of credit with suppliers if the inability of MBE/WBEs to obtain bonding, insurance, or lines of credit is the reason given for the Bidder's inability to meet the MBE/WBE goals.
8. The Bidder may also submit any other information supporting its request for a waiver or reduction in the MBE/WBE participation goals, including without limitation evidence that the Bidder placed advertisements in appropriate media and trade association publications announcing the Bidder's interest in obtaining bids or proposals from MBE/WBEs, and/or sent written notification to MBE/WBE economic development assistance agencies, trade groups and other organizations notifying them of the Contract and the work to be subcontracted by the Bidder to MBE/WBEs. The Bidder shall also submit any other information reasonably requested by the Awarding Authority to show that the Bidder has taken all actions that could reasonably be expected to achieve the MBE/WBE participation goals.
9. If **filed Sub-Bids** are solicited for this Contract, requests from prospective general Bidders to reduce or waive the MBE/WBE participation goals for this Contract must be received by the Awarding Authority no later than five (5) working days after the list of filed sub-Bidders is mailed by the Awarding Authority to persons who have taken out plans for the Contract. If there are no filed sub-Bids solicited for this Contract, requests to reduce or waive the MBE/WBE participation goals for this Contract must be received by the Awarding Authority no later than ten (10) calendar days before the date set for the receipt of general Bids. **THE AWARDING AUTHORITY WILL NOT CONSIDER ANY REQUEST TO REDUCE OR WAIVE THE MBE/WBE PARTICIPATION GOALS FOR THIS CONTRACT THAT IS RECEIVED AFTER THESE DEADLINES. Any reduction or waiver of the MBE/WBE participation goals for this Contract will be made by written addendum mailed to all persons who have taken out plans for the project.**
10. No later than five (5) working days after the opening of general Bids, the apparent low Bidder shall submit the following documents to the Awarding Authority's Affirmative Marketing Construction Officer (AMCO): (i) a completed Schedule for Participation by MBE/WBE ("Schedule for Participation") in the form provided by the Awarding Authority showing MBE/WBE participation in amounts equal to or exceeding the MBE/WBE participation goals for this Contract, (ii) a completed Letter of Intent in the form provided by the Awarding Authority for each MBE/WBE listed in the Schedule for Participation, and (iii) a SDO most recent certification letter for each MBE/WBE listed in the Schedule of MBE/WBE Participation showing that the MBE/WBE is certified in the area of work for which it is listed on the Letter of Intent.



11. Each Letter of Intent shall identify and describe the work to be performed by the named MBE/WBE (the “MBE/WBE Work”) with enough specificity to permit the Awarding Authority to identify the particular items of contract work that the MBE/WBE will perform for MBE/WBE participation credit. The Awarding Authority reserves the right to reject any Letter of Intent if the price to be paid for the MBE/WBE Work does not bear a reasonable relationship to the value of such work under the Contract as determined by the Awarding Authority.
12. Within five (5) working days after receipt of the Schedule for MBE/WBE Participation, Letters of Intent, and SDO most recent certification letter, the Awarding Authority shall review and either approve or disapprove the apparent low Bidder’s submissions. If the apparent low Bidder has not submitted an appropriate Schedule for MBE/WBE Participation and appropriate Letters of Intent and SDO most recent certification letter establishing that the MBE/WBE participation goal for the project will be met, the apparent low Bidder will be considered ineligible for Award of the Contract and the Awarding Authority will Award the Contract to the second lowest eligible and responsible Bidder, subject to said Bidder’s compliance with these conditions. If funds are insufficient to award to the second lowest Bidder, the project may have to be re-bid.
13. The Bidder's attention is called to the General Conditions of the Contract which requires the Contractor to submit, within thirty (30) days of the Contract Date, signed subcontracts with all subcontractors or a purchase order or invoice from each material supplier and/or manufacturer listed on the Schedule for MBE/WBE Participation.
14. A filed sub-Bidder is not required to submit a Schedule of MBE/WBE Participation with its Bid. A filed sub-Bidder may, at its option, submit a Letter of Intent with its Bid if it is a SDO certified MBE/ WBE. If a filed sub-Bidder intends to sub-subcontract work to a SDO certified MBE/WBE, and the awarding authority permits limited sub-sub contracting for purposes of MBE/WBE participation, and the filed sub-Bidder wishes that sub-subcontract to be credited toward the participation goals for this Contract, the filed sub-Bidder should submit a Letter of Intent from that MBE/WBE with its Bid.

**ATTACHMENT D**  
**MUNICIPAL CONTRACTS**  
**STATE ASSISTED BUILDING PROJECTS**  
**MODEL CONTRACT INSTRUCTIONS**

**APPENDIX to General Conditions of the Contract**

**GOALS FOR PARTICIPATION BY MINORITY BUSINESS ENTERPRISES (MBE) AND WOMEN BUSINESS ENTERPRISES (WBE) (EXECUTIVE ORDER 390, M.G.L. c. 7, s. 4)**

**The applicable goals for minority business enterprise (MBE) and woman business enterprise (WBE) participation established for this Contract are as follows:**

**MBE: \_\_\_\_ % of the Contract Price.    WBE: \_\_\_\_\_ % of the Contract Price.**

**1. Goals**

The goals for minority business enterprise (MBE) and woman business enterprise (WBE) participation established for this Contract are as set forth above and in the Owner - Contractor Agreement.

**2. MBE/WBE Participation Credit**

- A. If the Contractor is itself an MBE or a WBE, MBE/WBE participation credit shall be given in an amount equal to the entire Contract Price. If the Contractor is not an MBE or WBE, then MBE/WBE participation credit will be given for the value of the Work that is actually performed by each MBE or WBE subcontractor or sub-subcontractor.
- B. If the Contractor is a joint venture with one or more MBE/WBE joint ventures, MBE/WBE participation credit shall be given to the joint venture as follows:
  - (1) If the joint venture is certified by SOMBWA as an MBE or WBE, MBE/WBE Participation credit shall be given in an amount equal to the entire Contract Price.
  - (2) If the joint venture is not certified as an MBE or WBE by SDO, MBE/WBE participation credit shall be given to the joint venture for the value of the Work that is performed by the MBE/WBE joint venture(s), and for the value of the Work that is actually performed by each MBE or WBE subcontractor or sub-subcontractor.
- C. If an MBE/WBE supplies, but does not install equipment or materials, MBE/WBE participation credit shall be given only if the MBE/WBE supplier is regularly engaged in sales of equipment or supplies to the construction industry from an established place of business. MBE/WBE participation credit shall be given the full amount of the purchase order only if the MBE/WBE supplier manufactures the goods or substantially alters them before resale. Otherwise, a contractor may count toward its MBE/WBE goal 60 percent of the total bid price for its expenditures of its materials and supplies required under a contract and obtained from a MBE/WBE regular supplier.

- D. MBE participation credit shall be given for the work performed by MBEs only, and WBE participation credit shall be given for the work performed by WBEs only. MBE participation may not be substituted for WBE participation, nor may WBE participation be substituted for MBE participation.

### **3. Establishing MBE/WBE Status.**

- A. A minority owned business shall be considered as an MBE only if it has been certified as a minority business enterprise by the Supplier Diversity Office (“SDO”).
- B. A woman owned business shall be considered as a WBE only if it has been certified as a woman business enterprise by SDO.
- C. Certification as a disadvantaged business enterprise (“DBE”), certification as MBE/WBE by any agency other than SDO, or submission of an application to SDO for certification as an MBE/WBE shall not confer MBE/WBE status on a firm for the purposes of this Contract.

### **4. Subcontracts with MBE/WBEs**

Within thirty (30) days after the award of this Contract, the Contractor shall (i) execute a subcontract with each MBE/WBE Subcontractor which has executed a Letter of Intent Approved by the Awarding Authority, (ii) cause its Subcontractors to execute a sub-subcontract with each MBE/WBE sub-subcontractor, and (iii) furnish the Awarding Authority with a signed copy of each such subcontract and sub-subcontract.

### **5. Performance of Contract Work by MBE/WBEs**

- A. The Contractor shall not perform with its own organization or subcontract or assign to any other firm work designated to be performed by any MBE/WBE in the Letters of Intent or Schedule of MBE/WBE Participation without the prior Approval of the Awarding Authority, nor shall any MBE/WBE assign or subcontract to any other firm, or permit any other firm to perform any of its MBE/WBE Work without the prior Approval of the Awarding Authority. Any such unapproved assignment, subcontracting, sub-subcontracting, or performances of MBE/WBE Work by others shall be a change in the MBE/WBE Work for the purposes of this Contract. **THE AWARDING AUTHORITY WILL NOT APPLY TO THE MBE/WBE PARTICIPATION GOAL(S) ANY SUMS ATTRIBUTABLE TO SUCH UNAPPROVED ASSIGNMENTS, SUB-CONTRACTS, SUB-SUBCONTRACTS, OR PERFORMANCE OF MBE/WBE WORK BY OTHERS.**
- B. The Contractor shall be responsible for monitoring the performance of MBE/WBE Work to ensure that each scheduled MBE/WBE performs its own MBE/WBE Work with its own workforce.
- C. The Contractor and each MBE/WBE shall provide the Awarding Authority with all information and documentation that the Awarding Authority determines is necessary to ascertain whether or not an MBE/WBE has performed its own MBE/WBE Work. At the discretion of the Awarding Authority, failure to submit such documentation to the Awarding Authority shall establish conclusively for the purpose of giving MBE/WBE participation credit under this Contract that such MBE/WBE did not perform such work.

- D. With each progress payment request submitted by the Contractor to the Awarding Authority, the Contractor must provide the Contractor Progress Payment Report indicating the value of payments for each MBE and WBE firms for that period.

**6. Notification of Changes in MBE/WBE Work**

- A. If at any time during the performance of the Contract the Contractor determines or has reason to believe that a scheduled MBE/WBE is unable or unwilling to perform its MBE/WBE Work, or that there has been or will be a change in any MBE/WBE Work, or that the Contractor will be unable to meet the MBE/WBE participation goal(s) for this Contract for any reason, the Contractor shall immediately notify the Awarding Authority Contract Compliance Office in writing of such circumstances.
- B. Any notice of a change in MBE/WBE Work pursuant to subparagraph "A" above shall include a revised Schedule of MBE/WBE Participation, and additional or amended Letters of Intent and subcontracts, as the case may be.

**7. Actions required if there is a Reduction in MBE/WBE Participation**

- A. In the event there is a change or reduction in any MBE/WBE Work which will result in the Contractor failing to meet the MBE/WBE participation goal(s) for this Contract, other than a reduction in MBE/WBE Work resulting from a Change Order initiated by the Awarding Authority, then the Contractor shall immediately undertake a diligent, good faith effort to make up the shortfall in MBE/WBE participation as follows:
- (1) The Contractor shall identify all items of the Work remaining to be performed under the Contract that may be made available for subcontracting to MBE/WBEs. The Contractor shall send a list of such items of work to the Awarding Authority, together with a list of the remaining items of the Work that was not made available to MBE/WBEs and the reason for not making such work available for subcontracting to MBE/WBEs.
  - (2) The Contractor shall send written notices soliciting proposals to perform the items of the Work that may be made available for subcontracting to MBE/WBEs to all MBE/WBEs qualified to perform such work. The Contractor shall advise the Awarding Authority of (i) each MBE/WBE solicited, and (ii) each MBE/WBE listed in the SDO directory under the applicable trade category that was not solicited and the reasons therefore. The Contractor shall also advise the Awarding Authority of the dates notices were mailed and provide a copy of the written notice(s) sent.
  - (3) The Contractor shall make reasonable efforts to follow up the written notices sent to MBE/WBEs with telephone calls or personal visits in order to determine with certainty whether the MBE/WBEs were interested in performing the work. Phone logs or other documentation must be submitted to the Awarding Authority evidencing this effort.

- (4) The Contractor shall make reasonable efforts to assist MBE/WBEs that need assistance in obtaining insurance, bonds, or lines of credit in order to perform work under the Contract, and shall provide the Awarding Authority with evidence that such efforts were made.
  - (5) The Contractor shall provide the Awarding Authority with a statement of the response received from each MBE/WBE solicited, including the reason for rejecting any MBE/WBE who submitted a proposal.
  - (6) The Contractor shall take any additional measures reasonably requested by the Awarding Authority to meet the MBE/WBE participation goal(s) established for this Contract, including, without limitation, placing advertisements in appropriate media and trade association publications announcing the Contractor's interest in obtaining proposals from MBE/WBEs, and/or sending written notification to MBE/WBE economic development assistance agencies, trade groups and other organizations notifying them of the project and of the work available to be subcontracted by the Contractor to MBE/WBEs.
- B. If the Contractor is unable to meet the MBE/WBE participation goals for this Contract after complying fully with each of the requirements of paragraph "A" above, and the Contractor is otherwise in full compliance with the terms of this Article, the Awarding Authority may reduce the MBE/WBE participation goals for this Contract to the extent that such goals cannot be achieved.

**8. Suspension of Payment and/or Performance for Noncompliance.**

- A. If at any time during the performance of this Contract, the Awarding Authority determines or has reason to believe that (1) there has been a change or reduction in any MBE/WBE Work which will result in the Contractor failing to meet the MBE/WBE participation goal(s) for this Contract, other than a reduction in MBE/WBE Work resulting from a change in the Contract work ordered by the Awarding Authority, and (2) the Contractor has failed to comply fully with all of the terms and conditions of paragraphs 1 through 7 above, the Awarding Authority may:
- (1) Suspend payment to the Contractor of an amount equal to the value of the work which was to have been performed by an MBE/WBE pursuant to the Contractor's Schedule of MBE/WBE Participation but which was not so performed, in order to ensure that sufficient Contract funds will be available if liquidated damages are assessed pursuant to paragraph 9, and/or
  - (2) Suspend the Contractor's performance of this Contract in whole or in part.
- B. The Awarding Authority shall give the Contractor prompt written notice of any action taken pursuant to paragraph A above and shall give the Contractor and any other interested party, including any MBE/WBEs, an opportunity to present evidence to the Awarding Authority that the Contractor is in compliance with the requirements of this Article, or that there is some justifiable reason for waiving the requirements of this Article in whole or in part. The Awarding Authority may invite SDO to participate in any proceedings undertaken pursuant to this paragraph.

- C. Upon a showing that the Contractor is in full compliance with the requirements of this Article, or that the Contractor has met or will meet the MBE/WBE participation goals for this Contract, the Awarding Authority shall release any funds withheld pursuant to clause A (1) above, and lift any suspension of the Contractor's performance under clause A (2) above.

## **9. Liquidated Damages; Termination**

- A. If payment by the Awarding Authority or performance by the Contractor is suspended by the Awarding Authority as provided in paragraph 8 above, the Awarding Authority shall have the following rights and remedies if the Contractor thereafter fails to take all action necessary to bring the Contractor into full compliance with the requirements of this Article, or if full compliance is no longer possible because the default of the Contractor is no longer susceptible to cure, if the Contractor fails to take such other action as may be required by the Awarding Authority to meet the MBE/WBE participation goals set forth in this Contract:
- (1) The Awarding Authority may terminate this Contract, and/or
  - (2) The Awarding Authority may retain from final payment to the Contractor, as liquidated damages, an amount equal to the difference between:
    - (a) The total of the MBE/WBE participation goals set forth in this Contract, and;
    - (b) The amount of MBE/WBE participation credit earned by the Contractor for MBE/WBE Work performed under this Contract as determined by the Awarding Authority, the parties agreeing that the damages for failure to meet the MBE/WBE participation goals are difficult to determine and that the foregoing amount to be retained by the Awarding Authority represents the parties' best estimate of such damages. Any liquidated damages will be assessed separately for MBE and WBE participation.
- B. Before exercising its rights and remedies hereunder, the Awarding Authority may give the Contractor and any other interested party another opportunity to present evidence to the Awarding Authority that the Contractor is in compliance with the requirements of this Article or that there is some justifiable reason for waiving the requirements of this Article in whole or in part. The Awarding Authority may invite SDO to participate in any proceedings undertaken hereunder.

## **10. Reporting Requirements**

The Contractor shall submit to the Awarding Authority all information or documentation that is necessary in the judgment of the Awarding Authority to ascertain whether or not the Contractor has complied with any of the provisions of this Article.

## **11. Awarding Authority's Right to Waive Provisions of this Article in Whole or In Part**

The Awarding Authority reserves the right to waive any provision or requirement of this Article if the Awarding Authority determines that such waiver is justified and in the public interest. No such waiver shall be effective unless in writing and signed by a representative of the Awarding Authority's Affirmative Marketing Construction Officer (AMCO) or the office of its General Counsel. No other action or inaction by the Awarding Authority shall be construed as a waiver of any provision of this Article.

**EXHIBIT A****SCHEDULE FOR PARTICIPATION  
BY MINORITY/WOMEN BUSINESS ENTERPRISES**

**Project Number** \_\_\_\_\_  
**Project Location** \_\_\_\_\_  
**Project Name** \_\_\_\_\_

- A. Filed Sub-bidders utilizing MBE/WBE firms, and MBE/WBE Sub-bidders - attach to Filed Sub-bid.**  
**B. General Contractor must submit to the Awarding Authority within five (5) working days of the opening of General Bids.**

**BIDDER CERTIFICATION:**

The Bidder agrees that if awarded the contract it will expend at least the amount of the contract set forth below for MBE/WBE participation. For purposes of this commitment, the MBE and WBE designation means that a business has been certified by SDO as either a MBE, WBE or MBE/WBE. The Bidder must indicate the MBE/WBE firms it intends to utilize on the project as follows (attach additional sheets if necessary):

<b>Company Name &amp; Address</b>	<b>MBE or WBE</b>	<b>Describe MBE/WBE Scopes of Work (clarify "Labor Only", "Material Only" or "Labor and Material")</b>	<b>If Supplier, Indicate Total Value of Supplies (60% of Total Counts toward Participation)</b>	<b>Total Dollar Value of Participation</b>
1.				
2.				
3.				
4.				
5.				

**MBE Goal: \$** \_\_\_\_\_ **Total Dollar Value of MBE Commitment: \$** \_\_\_\_\_

**WBE Goal: \$** \_\_\_\_\_ **Total Dollar Value of WBE Commitment: \$** \_\_\_\_\_

The undersigned hereby certifies that he/she has read the terms and conditions of the contract with regard to MBE/WBE participation and is authorized to bind the Bidder to the commitment set forth above.

**Name of Firm** \_\_\_\_\_

**Business Address** \_\_\_\_\_

**Print Name** \_\_\_\_\_

**Authorized Signature** \_\_\_\_\_

**Title** \_\_\_\_\_

**Telephone No.** \_\_\_\_\_ **Fax No.** \_\_\_\_\_

**Date** \_\_\_\_\_

**LETTER OF INTENT  
MINORITY/WOMEN BUSINESS ENTERPRISES PARTICIPATION**

(To be completed by MBE/WBE, and submitted by the General Bidder to the Municipal Affirmative Marketing Construction Officer (AMCO) within five (5) working days of the opening of General Bids or by Filed Sub-bidder with its bid.)

Project Number \_\_\_\_\_  
 Project Name \_\_\_\_\_  
 Project Location \_\_\_\_\_  
 To \_\_\_\_\_  
 Name of General Bidder/Sub-bidder \_\_\_\_\_

**Indicate SDO Certification:**

\_\_\_\_\_ MBE  
 \_\_\_\_\_ WBE  
 \_\_\_\_\_ M/WBE

1. This firm intends to perform work in connection with the above project.
2. This firm is currently certified by SDO to perform the work identified below, and has not changed its minority/women ownership, control, or management without notifying SDO within thirty (30) days of such a change.
3. This firm understands that if the General Bidder/Sub-bidder referenced above is awarded the contract, the Bidder intends to enter into an agreement with this firm to perform the activity described below for the prices indicated. This firm also understands that the above-referenced firm, as General Bidder/Sub-Bidder, will make substitutions only as allowed by the terms of the Contract.
4. This firm understands that under the terms of the contract, only work actually performed by an MBE/WBE will be credited toward MBE/WBE participation goals, and this firm cannot assign or subcontract out any of its work without prior written approval of the Awarding Authority, and that any such assignment or subcontracting will not be credited toward MBE/WBE participation goals.

**MBE/WBE PARTICIPATION**

Section/Item Number (If Applicable)	Describe MBE/WBE Scopes of Work (Clarify "Labor Only", "Material Only" or "Labor and Material")	If Supplier, Indicate Total Value of Supplies (60% of Total Counts Toward Participation)	Dollar Value of Participation

Total Dollar Value: \$ \_\_\_\_\_

Name of MBE/WBE Firm \_\_\_\_\_

Business Address \_\_\_\_\_

Print Name \_\_\_\_\_

Authorized Signature \_\_\_\_\_

Title \_\_\_\_\_

Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_

Date \_\_\_\_\_



**EXHIBIT C****CONTRACTOR PROGRESS PAYMENT REPORT  
MINORITY/WOMEN BUSINESS ENTERPRISES PARTICIPATION****Project Number:** \_\_\_\_\_**Project Name:** \_\_\_\_\_**Project Location:** \_\_\_\_\_**Date:** \_\_\_\_\_**Periodical Payment No.:** \_\_\_\_\_**General Contractor:** \_\_\_\_\_**MBE and/or WBE:** \_\_\_\_\_

One copy of this report is to be submitted for each Minority Business Enterprise (MBE) and/or Women Business Enterprise (WBE) at the time of submitting a request for payment. Copies of the report must be sent to the Minority Business Enterprise (MBE) and/or Women Business Enterprise (WBE) named above and to the municipalities Affirmative Marketing Construction Officer (AMCO). The AMCO will forward a copy of each Contractor Progress Payment Report to SDO on a quarterly basis.

1. The total price to be paid to the above-named Minority Business Enterprise \_\_\_\_\_ and/or Women Business Enterprise \_\_\_\_\_:  
\$ \_\_\_\_\_
2. The amount remitted to the Minority Business Enterprise and/or Women Business Enterprise as of the above date for work performed under this project: \$ \_\_\_\_\_
3. Balance due the Minority Business Enterprise and/or Women Business Enterprise as of the above date for work performed under the above-named project: \$ \_\_\_\_\_
4. Comments or explanation of amounts indicated under items 1 and 2 above: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. We hereby certify that the information supplied herein (including pages attached) is correct and complete.

**General Contractor:****Minority and/or Women Business Enterprise**\_\_\_\_\_  
**(Signed)**\_\_\_\_\_  
**(Signed)**\_\_\_\_\_  
**(Title)**\_\_\_\_\_  
**(Title)**\_\_\_\_\_  
**(Date)**\_\_\_\_\_  
**(Date)**